

AN ACT concerning higher education student assistance.

Be it enacted by the People of the State of Illinois,
represented in the General Assembly:

Section 5. The Higher Education Student Assistance Act
is amended by changing Section 145 as follows:

(110 ILCS 947/145)

Sec. 145. Issuance of Bonds.

(a) The Commission has power, and is authorized from time to time, to issue bonds (1) to make or acquire eligible loans, (2) to refund the bonds of the Commission, or (3) for a combination of such purposes. The Commission shall not have outstanding at any one time bonds in an aggregate principal amount exceeding \$5,000,000,000 ~~\$3,500,000,000~~, excluding bonds issued to refund the bonds of the Commission.

The Commission is authorized to use the proceeds from the sale of bonds issued pursuant to this Act to fund the reserves created therefor, including a reserve for interest coming due on the bonds for one year following the issuance of the bonds, as provided in the resolution or resolutions authorizing the bonds and to pay the necessary expenses of issuing the bonds, including but not limited to, legal, printing, and consulting fees.

(b) The Commission has power, and is authorized from time to time, to issue refunding bonds (1) to refund unpaid matured bonds; (2) to refund unpaid matured coupons evidencing interest upon its unpaid matured bonds; and (3) to refund interest at the coupon rate upon its unpaid matured bonds that has accrued since the maturity of those bonds. The refunding bonds may be exchanged for the bonds to be refunded on a par for par basis of the bonds, interest coupons, and interest not represented by coupons, if any, or may be sold

at not less than par or may be exchanged in part and sold in part; and the proceeds received at any such sale shall be used to pay the bonds, interest coupons, and interest not represented by coupons, if any. Bonds and interest coupons which have been received in exchange or paid shall be cancelled and the obligation for interest, not represented by coupons which have been discharged, shall be evidenced by a written acknowledgement of the exchange or payment thereof.

(c) The Commission has power, and is authorized from time to time, to also issue refunding bonds under this Section, to refund bonds at or prior to their maturity or which by their terms are subject to redemption before maturity, or both, in an amount necessary to refund (1) the principal amount of the bonds to be refunded, (2) the interest to accrue up to and including the maturity date or dates thereof, and (3) the applicable redemption premiums, if any. Those refunding bonds may be exchanged for not less than an equal principal amount of bonds to be refunded or may be sold and the proceeds received at the sale thereof (excepting the accrued interest received) used to complete such refunding, including the payment of the costs of issuance thereof.

(d) The bonds shall be authorized by resolution of the Commission and may be issued in one or more series, may bear such date or dates, may be in such denomination or denominations, may mature at such time or times not exceeding 40 years from the respective dates thereof, may mature in such amount or amounts, may bear interest at such rate or rates, may be in such form either coupon or registered as to principal only or as to both principal and interest, may carry such registration privileges (including the conversion of a fully registered bond to a coupon bond or bonds and the conversion of a coupon bond to a fully registered bond), may be executed in such manner, may be made payable in such

medium of payment, at such place or places within or without the State, and may be subject to such terms of redemption prior to their expressed maturity, with or without premium, as the resolution or other resolutions may provide. Proceeds from the sale of the bonds may be invested as the resolution or resolutions and as the Commission from time to time may provide. All bonds issued under this Act shall be sold in the manner and at such price as the Commission may deem to be in the best interest of the public. The resolution may provide that the bonds be executed with one manual signature and that other signatures may be printed, lithographed or engraved thereon.

The Commission shall not be authorized to create and the bonds shall not in any event constitute State debt of the State of Illinois within the meaning of the Constitution or statutes of the State of Illinois, and the same shall be so stated upon the face of each bond. The source of payment for the bonds shall be stated on the face of each bond.

The issuance of bonds under this Act is in all respects for the benefit of the People of the State of Illinois, and in consideration thereof the bonds issued pursuant to this Act and the income therefrom shall be free from all taxation by the State or its political subdivisions, except for estate, transfer, and inheritance taxes. For purposes of Section 250 of the Illinois Income Tax Act, the exemption of the income from bonds issued under this Act shall terminate after all of the bonds have been paid. The amount of such income that shall be added and then subtracted on the Illinois income tax return of a taxpayer, pursuant to Section 203 of the Illinois Income Tax Act, from federal adjusted gross income or federal taxable income in computing Illinois base income shall be the interest net of any bond premium amortization.

(Source: P.A. 92-45, eff. 6-29-01.)

Public Act 093-0623
SB875 Enrolled

LRB093 11012 NHT 11673 b

Section 99. Effective date. This Act takes effect upon
becoming law.